

CITY OF LANSING
JOINT POLICE AND FIRE RETIREMENT
SYSTEM BOARD
And
EMPLOYEES' RETIREMENT SYSTEM
BOARD MEETING MINUTES

Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

August 21, 2018
Tuesday, 9:15 a.m.

The meeting was called to order at 9:33 a.m.

A quorum of the Employees' Retirement System Board and Police and Fire Retirement System Board was present.

Trustees present: (ERS), Good, Munroe, D. Parker, M. Parker, Sanchez-Gazella, Schor (9:59) – 6.
(Police & Fire), Fabus, Good, Rose, Schor (9:59), C. Wilcox, R. Wilcox, Wohlfert, Wood
- 8

Others present: Karen E. Williams, Finance Department; Deputy City Attorney Joseph Abood, Attorney Ken Lane (at the request of the City Attorney's Office); Nathan Burk, George Tarlas, Asset Consulting Group.

It was moved by Trustee Good and supported by Trustee Mark Parker to excuse Trustee Dedic and Washington from the August Joint Retirement Board meeting.

Adopted by the following vote: 6-0

Attorney Abood updated the Joint Retirement Board regarding the status of Attorney Ken Lane. Attorney Lane left Clark Hill to establish his own firm, and he has expressed an interest to continue staffing the Boards as legal counsel. Attorney Lane is not on the approved City Council list, but his approval is pending. If approved, the City Attorney would recommend that Attorney Lane continue to staff the Boards representing the City Attorney's office. Attorney Abood also explained the Boards are allowed under PA 314 to hire its own counsel.

Trustee Wood reminded the Joint Retirement Boards that in the past, the City Attorney's office has accepted the Boards' recommendations for legal counsel.

Joint Meeting
Council Conference Room
10th Floor City Hall
Lansing, MI

August 21, 2018
Tuesday, 9:15 a.m.

Page 2

It was moved by Trustee Wood and supported by Trustee Good to recommend Attorney Kenneth Lane to represent the Police and Fire Retirement System Board provided he be approved by City Council.

Trustee Chris Wilcox expressed interest in performing due diligence and looking at all options.

Trustee Ryan Wilcox also expressed interest in exploring legal counsel.

Trustee Dennis Parker inquired about a request for proposals and inquired if the Board are required to take action on the City Attorney's recommendation.

Trustee Wood stated that it was important for the Board to take action to recommend legal counsel instead of no action.

Adopted by the following vote: 7- 0

It was moved by Trustee Good and supported by Trustee Sanchez-Gazella to recommend Attorney Kenneth Lane to represent the Employees' Retirement System Board provided that he be approved by City Council.

Adopted by the following vote: 6 – 0.

Mr. Burk reviewed the market environment and total portfolio analysis. Mr. Tarlas discussed the financial performance of the Employees' Retirement System and the Police and Fire Retirement System for the period ending June 30, 2018. He provided an analysis of the portfolios equity, fixed income, and real estate investments. Mr. Burk reviewed the July monthly financial report. Mr. Tarlas indicated that there were no recommendations to make changes to the portfolio at this time.

Mr. Burk stated that ACG generally negotiates with investment managers for more favorable fees for its clients. ACG is currently negotiating with Northern Trust regarding a reduction of custodian fees.

Mr. Burk provided an overview of the new Trustee handbook. Mr. Burk reviewed an outline of the decision makers, fiduciaries, investment managers, legal counsel, staffing, vendors and liaisons. Mr. Burk reviewed the process for adding investment managers for Board consideration. Mr. Burk discussed the role of the fiduciary that includes having an investment policy statement, having a diversified portfolio, using professional investment managers, accounting for expenses, and monitoring activities of investment managers. Mr. Burke provided an overview of asset allocation.

The meeting adjourned at 11:08 a.m.

Minutes approved on _____

Angela Bennett, Secretary

Dennis R. Parker, Chairperson
Employees' Retirement System

Eric P. Wohlfert, Chairperson
Police and Fire Retirement System